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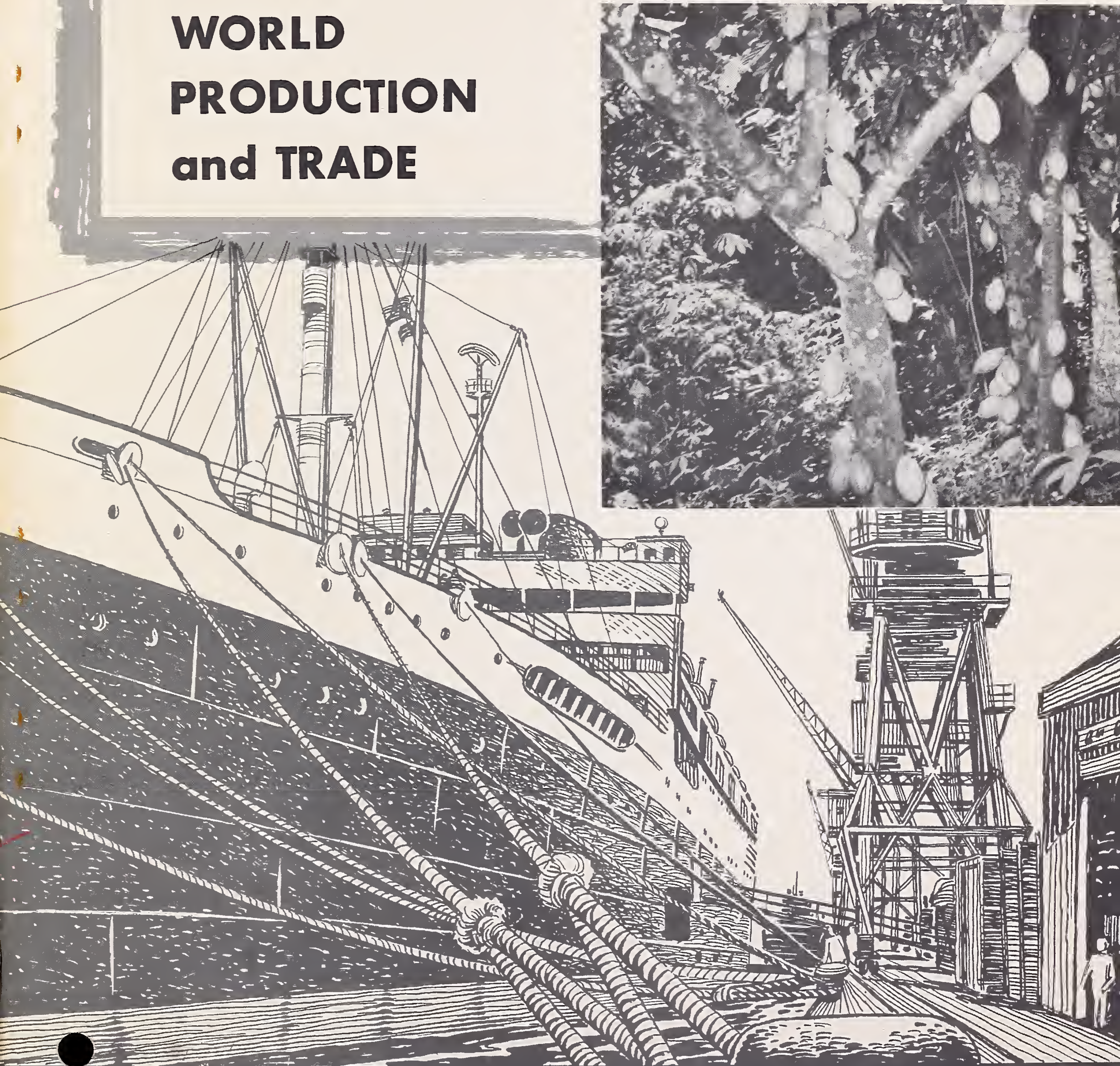
COCOA BEANS

WORLD PRODUCTION and TRADE



Circular FCB1-56

July 16, 1956

UNITED STATES DEPARTMENT OF AGRICULTURE
Foreign Agricultural Service
Washington, D.C.

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Cover photograph courtesy of the Information Division,

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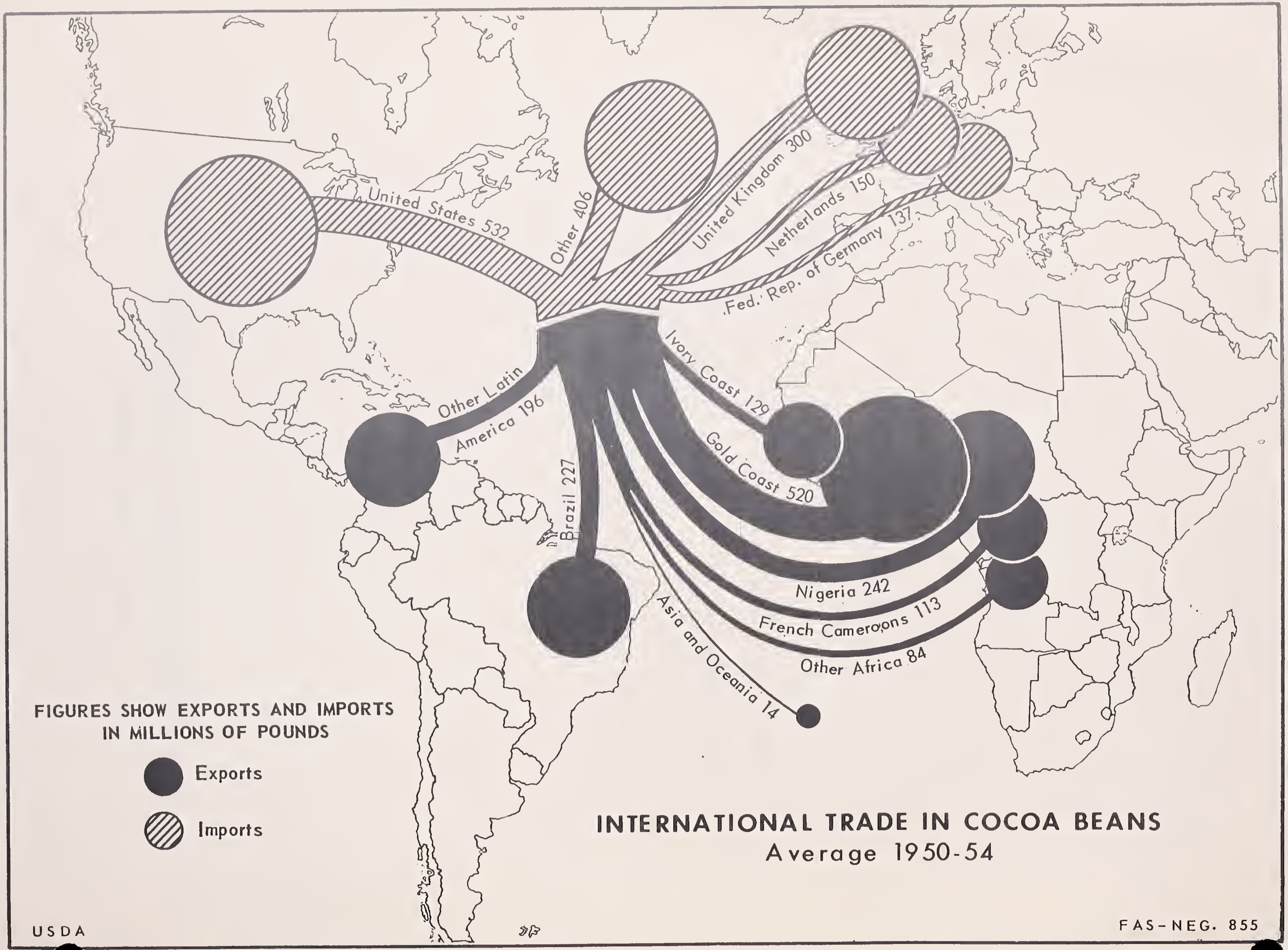


INTERNATIONAL TRADE IN COCOA BEANS

Average 1950-54

PRODUCTION

1955-56 PRODUCTION: World cocoa bean production for the 1955-56 season is estimated at 1,801 million pounds (804 thousand long tons) or about 1 percent above the Foreign Agricultural Service forecast of 1,784 million pounds (796 thousand long tons) made in September 1955. The current estimate for 1955-56 is about 11 million pounds (5 thousand long tons) less than the 1954-55 crop of 1,813 million pounds (809 thousand long tons) and 178 million pounds (79 thousand long tons) above the low world crop of 1953-54.

In many areas of the world the fall in cocoa bean prices has resulted in less care being given to old trees and to a less thorough harvest. The harvest from new plantings will compensate for only a part of the drop in production from older trees. Also, in many areas, the 1954-55 crop was large, and frequently the crop that follows a larger than normal one is considerably reduced. These factors coupled with adverse weather conditions in some areas reduced the production below what it would have been for 1955-56.

The decrease in cocoa bean production for 1955-56 should not be interperted as the beginning of a downward trend in world cocoa bean production. As will be elaborated upon further in other sections of this report, many countries have embarked upon programs of improving quality and increasing production of cocoa beans. With the availability of high quality beans at favorable prices it is anticipated that manufacturers will increase their use of cocoa beans and that prices will become more stable - a factor which should help both the producers and consumers.

NORTH AMERICA: It is anticipated that the 1955-56 cocoa bean output of this area will be 30 million pounds (13 thousand long tons) less than last year's crop. In general the area has experienced unfavorable cocoa growing weather this season. The winter crop (October to March) in the Dominican Republic, the areas largest producer, is estimated to be as much as 35 percent below the winter crop of last year of 34 million pounds (15 thousand long tons). Decreases are also expected from Costa Rica, Cuba, Grenada, Mexico, and Trinidad and Tobago. Light bloom in the Dominican Republic, the hurricane damage notably in Cuba, Haiti and Grenada, excessive rains and floods in Mexico, and heavy rains which led to attack of pod rot in Trinidad and Tobago had an adverse effect on production in these countries.

SOUTH AMERICA: The estimated cocoa production for South America of 481 million pounds (215 thousand long tons) for 1955-56 is only 7 million pounds (3 thousand long tons) less than the bumper crop of 1954-55. Total Brazilian production for 1955-56 is estimated at 348 million pounds (155 thousand long tons). Production in Colombia and Venezuela will be about the same in 1955-56 as it was in 1954-55. Ecuador has not experienced a repetition of the heavy rains of a year ago and with continued favorable growing conditions should harvest a crop of 65 million pounds (29 thousand long tons).

AFRICA: The present estimate of cocoa production for Africa for 1955-56 exceeds the September 7, 1955 forecast by nearly 64 million pounds (28 thousand long tons). Production in the Gold Coast, the world's largest producer of cocoa beans, is estimated at 511 million pounds (228 thousand long tons). During 1955 a new feature was introduced into cocoa marketing in the Gold Coast with a special purchasing program for sub-grade cocoa. The program was introduced to eliminate inferior beans from the marketing of mid and main cocoa crops. The program was, by and large, successful and the total figure on sub-grade purchases reached 8,064 long tons.

Nigerian cocoa bean production for the 1955-56 season is now estimated at 251 million pounds (112 thousand long tons), an increase of nearly 29 million pounds (13 thousand long tons) over the 1954-55 production. The weather this year has been better than last and indications are that the quality of the 1955-56 crop will be higher than that of the 1954-55 crop which was damaged by rains.

The 1955-56 crop of the French Cameroons is now estimated at 141 million pounds (63 thousand long tons) an increase of over 5 million pounds (2 thousand long tons) over last year's crop. This larger crop is attributed to good weather conditions and improved methods of disease control.

Ivory Coast production for the 1955-56 season is now estimated at 149 million pounds (66 thousand long tons); approximately the same as the 1954-55 crop. The Government is giving out free cocoa seedlings and paying a substantial subsidy in an effort to increase the acreage under cocoa while the subsidy for planting coffee has been discontinued. The Government, private trade and the Chamber of Commerce in the Ivory Coast are putting on a program to pay a premium next year for quality production.

OUTLOOK: There is a potential for a considerable expansion of cocoa production. If post-war production trends continue by 1960 there will be an increase of probably 8.5 to 10 percent over 1954-55 production. Cocoa trees which will be bearing in any appreciable amount by 1960 have already been planted. Therefore, factors other than new plantings will have the controlling influence in the next four years.

Good progress is being made in disease and pest control in several countries. Cutting out campaigns to control swollen shoot have progressed very well in the Gold Coast and an increasing amount of sprayers are being bought to control capsid. It appears that newer acreages are compensating for the decline in the older areas in the Gold Coast. Improved methods of cultivation and maintenance are needed, however, to halt a downward trend in production here. It appears that total production in both the Gold Coast and Nigeria will be increased in the future.

Cocoa bean prices will have a big effect on total future production. There has been quite a bit of expressed dissatisfaction during the 1955-56 marketing year concerning the farmer's price. When prices are low there is a tendency for the farmers to take less care of their trees and to do a less thorough job of harvesting. In many of the cacao producing countries there is competition between cacao and other crops for land. Therefore, prices favorable to the farmer must be paid in order to induce production.

World cocoa prices have been of great concern to the farmers of the Ivory Coast and the French Cameroons in Africa. The Government has been subsidizing cocoa production in both of these countries, and if the farmers get a favorable price, cocoa acreage will probably be increased and the quality improved in these countries. Latin American farmers are also very cognizant of world cocoa prices.

There has been an outbreak of Witches Broom disease in the Borlovento region of Venezuela, and control of this outbreak will not be easy. Reports concerning the deterioration of Ecuadorian cocoa do not appear too serious at the present. The deterioration in quality is due to the fact that the traditional method of processing for market is not appropriate for the newer types recently introduced. It has been pointed out that total production from these newer varieties could not yet have attained significant proportions. By 1959 proportion of these newer type varieties is not expected to amount to as much as 10 percent of the total national production.

Adverse weather conditions decreased the amount of production which would have been realized in several Central American countries for the 1955-56 season. It is expected that in general recovery will be almost complete for these countries for the 1956-57 season. The Dominican Republic experienced a small winter harvest for the 1955-56 crop due to lack of rainfall and production cycle. Recovery should be made here in 1956-57, since it is the Dominican Government's avowed intention to increase cocoa production.

The present estimate for the 1956-57 temporao (mid-crop) in Brazil is 80,000 long tons. Weather conditions in most of the cocoa producing area have been ideal with high temperatures and adequate rainfall. With continued good weather, production will probably exceed this estimate. Brazil's temporao crop is very important in world trade because it comes at a time when exportable production in most other countries is very small.

World cocoa production for 1956-57 will probably be a little larger than for 1955-56. There will probably be a considerable increase in Central America, and a slight increase in Africa. South American and Asian production will probably be close to 1955-56 levels.

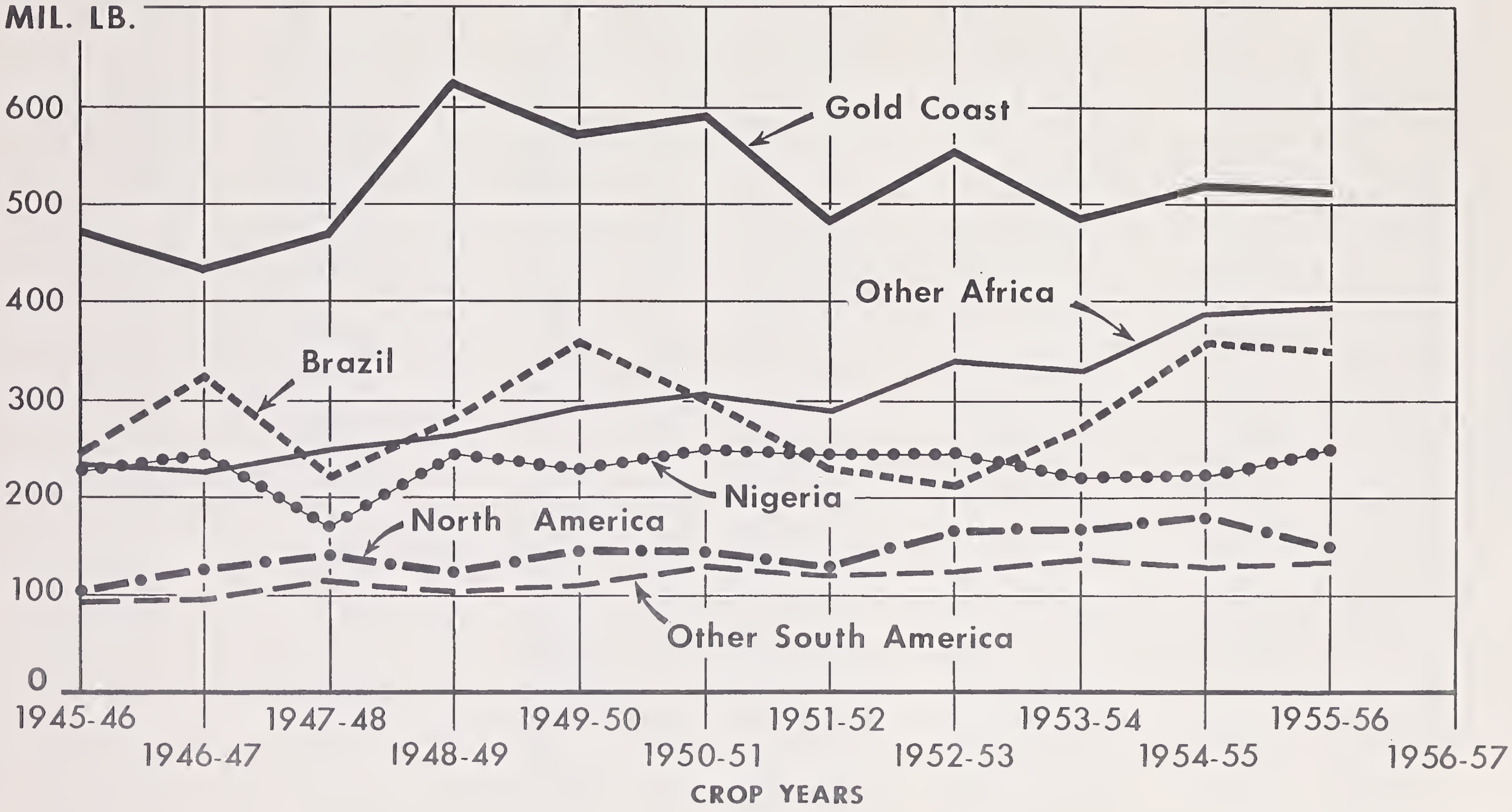
COCOA BEANS: Production in principal producing countries, averages 1935/36-1939/40, 1945/46-1949/50, annual 1953-54, 1955-56 1/

Continent and country	Average 1935/36-1939/40 2/	Average 1945/46-1949/50	1953-54	1954-55	1955-56
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
NORTH AMERICA					
Costa Rica	14,356	11,326	3/ 20,900	3/ 24,969	3/ 22,070
Cuba	7,000	6,259	7,500	5,964	4,360
Dominican Republic	54,049	62,164	72,060	80,213	60,186
Grenada	8,536	5,703	5,981	4/ 7,000	3,000
Haiti	3,349	3,790	5,000	4/ 3,000	3,500
Jamaica	4,750	4,274	4/ 4,800	4/ 5,250	6,500
Mexico	2,500	13,318	27,758	26,455	22,000
Panama	10,418	5,931	4,000	4,072	4/ 3,529
Trinidad and Tobago	31,635	12,124	16,000	18,000	20,000
Other North America 5/	4,059	3,032	4,735	4,000	4/ 3,500
Total	140,652	127,921	168,739	178,923	148,645
SOUTH AMERICA					
Brazil	263,980	283,870	271,470	357,145	348,100
Colombia	25,000	25,465	33,069	28,660	28,660
Ecuador	42,373	40,045	65,930	62,511	65,000
Venezuela	36,934	37,952	37,478	39,683	39,000
Total	368,287	387,332	407,947	487,999	480,760
AFRICA					
Belgian Congo	2,809	3,220	6,143	7,000	7,500
Fernando Po and Rio Muni	25,000	34,208	38,636	47,390	45,000
French Cameroons	58,350	6/ 90,832	125,221	135,652	141,100
French Equatorial Africa	1,871	7/	6,008	6,956	7,000
Ivory Coast	109,937	94,424	8/ 116,844	148,810	149,000
Gold Coast 9/	609,363	512,350	8/ 482,975	518,271	510,765
Nigeria 10/	216,318	222,980	218,239	222,083	250,880
Sao Thome and Principe	22,496	19,755	15,896	16,887	17,196
Other Africa 8/ 11/	3,154	9,018	19,300	26,473	26,633
Total	1,054,298	986,787	1,029,262	1,129,522	1,155,074
ASIA AND OCEANIA					
Ceylon	7,931	4,866	6,700	5,600	4/ 6,000
Indonesia	3,310	1,198	2,700	1,100	4/ 2,000
New Hebrides	3,916	2,452	2,064	1,700	4/ 2,000
Western Samoa	2,326	5,200	6,000	8,000	4/ 7,000
Total	17,483	13,716	17,464	16,400	17,000
WORLD TOTAL	1,580,720	1,515,755	1,623,407	1,812,844	1,801,479

1/ Production in Brazil is given for the 12 months May 1 to April 30, and in most other countries for the 12 months October 1 to September 30. 2/ Export data have been used for all countries with the exception of Mexico, Cuba and Colombia. 3/ Some cocoa beans produced in Costa Rica were moved across the border for marketing in Nicaragua. 4/ Approximated from unofficial information. 5/ Includes Dominica, El Salvador, Guatemala, Guadeloupe, Martinique, Nicaragua, St. Lucia and St. Vincent. 6/ Includes French Equatorial Africa. 7/ Included in French Cameroons. 8/ Some cocoa beans produced in Gold Coast were moved across the border for marketing in French territories. 9/ Includes British Togoland. 10/ Includes British Cameroons. 11/ Includes Angola, French Togoland, Liberia, Madagascar and Sierra Leone.

Foreign Agricultural Service. Official estimates of foreign countries, reports of Agricultural Attaches and other U. S. representatives abroad and other information.

CACAO BEANS: PRODUCTION IN PRINCIPAL COUNTRIES AND AREAS



USDA

FAS-NEG. 875

WORLD TRADE

Cocoa exports often exceed 90 percent of production. However, some of the producing countries (especially in Latin America) have been increasing their consumption in the past few years so this percentage may be reduced in the future.

The United States, United Kingdom, Western Germany, Netherlands and France are the largest importers of beans. United States imports of beans reached a post-war peak in 1950 of 659 million pounds. Cocoa bean imports have gradually declined since that time and reached a post-war low of 500 million pounds in 1955.

Product trade must also be considered in making an analysis of trade. Product imports into the United States for the years 1950-1952 were equivalent to between 55 and 60 million pounds of cacao beans. In 1953 this jumped to 93 million pounds, and increased again in 1954 to 118 million pounds. In 1955 an equivalent of 122 million pounds were imported. Re-exports of cacao beans and products from the United States between 1950 and 1955 remained fairly stable.

There has been a trend in the past few years toward increased trade in cocoa products. The United Kingdom and the United States have been fairly large net importers compared to other countries in this respect, while the Netherlands has been a large exporter of products in the past few years, sometimes even exceeding seventy percent of their bean imports.

Activity in the cocoa and chocolate industry in the Netherlands made some recovery in 1955 compared with 1954, although still below the 1953 level. The production of cocoa powder and cocoa butter increased about 9 percent, and chocolate production increased over 12 percent. Some further improvement is expected for 1956. Production in the confectionery industry for 1955 showed improvement over 1954, and both domestic and foreign sales were higher.

Trinidad's exports for the crop year which ended on September 30, 1955 amounted to about 16.5 million pounds compared with 17.6 million pounds in 1954. In February 1956 the Cocoa Board announced price reductions of about 10 cents per pound for lower grade cocoa. In announcing the cut in prices, the Cocoa Exporters Committee stressed the need for producers to improve the quality of the cocoa. The Agricultural Society shortly before had recommended that a system of grading be instituted and that premiums be put on high quality cocoa to stimulate its production.

Cocoa still continued to rank third in importance among Costa Rica's export crops. To assist the local cocoa market the Central Bank in August 1955 decreed that 65 percent of exchange realized from the sale of cacao could be sold at the free market rate of CR 6.63 to the U.S. $1.00. This was raised to 99 percent in February 1956 and will remain in effect until

December 31, 1956 provided the world market prices do not increase to a level considered by the Board of Directors to be profitable for producers. If such were the case, this authorization will be cancelled after a 90-day notice.

Colombia is in a rather unique position regarding cocoa trade. While producing a sizeable amount of cocoa, Colombia still imports almost as much as is produced. According to officials from the Ministry of Agriculture, factories have the right to buy either national or foreign cacao. Ecuador and Costa Rica in the past have been the big suppliers of cacao imports to Colombia. The larger portion of the trade is from Ecuador for transportation is less and hence the beans are cheaper.

Toward the end of 1954 a new regional marketing board was set up in each of the three regions of Nigeria, and one in the Southern Cameroons. These boards handle all of the main export crops produced in their particular region. The functions of the four original marketing boards included the purchase of the crops in the areas of production, their export, shipment and overseas sale; whereas the responsibilities of the Regional Marketing Boards are confined to the purchase of the crops within their particular regions, and the movement of the original produce to the ports of shipments.

With the setting up of the Regional Marketing Boards, it became necessary to establish an additional organization to look after the produce at the ports, put it on board ship and arrange for its sale in markets overseas. This new organization is the Nigeria Central Marketing Board; an authority set up by the Federal Government of Nigeria, whereas each Regional Marketing Board is established by the government of the particular region concerned. All produce purchased by the Regional Boards in their areas of production is taken over at the ports by the Central Board and shipped as Nigerian produce.

During the first quarter of 1956 the Gold Coast, Nigeria and Sierra Leone supplied nine-tenths of Britain's imports of raw cocoa. The Gold Coast alone shipped 30.6 million pounds. By the middle of June 1956 it was reported that the British Marketing Board had exhausted its supplies of main crop cocoa. When this happens, increased trade with Brazil can be expected.

Cocoa bean world exports for the calendar year 1955 amounted to 1,546 million pounds. This is .9 percent less than the 1935-39 average and 5.8 percent less than the high world exports of 1950.

SOURCE OF EXPORTS: Trends in world exports for the producing continents are shown in the following table.

COCOA BEANS: World Exports by Principal Producing Areas

(Percentages of Total Exports)

Area	Average 1935-39	1950	1952	1953	1954	1955
North America..	8.2	6.6	7.5	6.8	7.4	7.9
South America..	22.0	23.4	15.8	20.3	24.2	23.2
Africa.........	68.7	69.3	75.6	71.8	67.4	67.9
Asia - Oceania.	1.1	.7	1.1	1.1	1.0	1.0
Total	100.0	100.0	100.0	100.0	100.0	100.0

Exports during 1955 show very little change percentage wise by continent from 1954. Exports from South America were lower by 1 percent, while North America and Africa each increased 1/2 percent to make up this difference.

Cocoa bean exports from the six principal producing countries of the world are shown in the following table.

COCOA BEANS: Exports by Six Principal Producing Countries

(Percentages of Total Exports)

Country	Average 1935-39	1950	1952	1953	1954	1955
Gold Coast.........	39.1	36.5	34.8	33.0	31.6	29.8
Brazil.............	16.9	17.7	9.4	14.9	17.6	17.4
Nigeria............	13.9	13.6	18.8	14.6	14.5	12.8
Ivory Coast........	7.1	8.3	8.1	9.8	7.7	10.7
French Cameroons...	3.7	6.4	8.2	8.3	7.3	7.9
Dominican Republic.	3.4	3.5	3.6	3.4	3.0	3.2
Others.............	15.9	14.0	17.1	16.0	18.3	18.2
Total	100.0	100.0	100.0	100.0	100.0	100.0

SOURCES OF UNITED STATES IMPORTS: While the producing areas of Africa still provided the largest amount of United States imports during 1955, they only exceeded imports from South America by 5.7 percent. Africa supplied 41.7 percent of total U. S. imports in 1955.

Imports from the Gold Coast increased in 1955 over 1954 slightly, while the imports from Nigeria were considerably reduced. The Ivory Coast imports into the U. S. were considerably increased, while imports which originated in the French Cameroons almost dropped back to the 1953 level.

South America supplied a slightly larger amount of cocoa beans to the U. S. in 1955 than in 1954. Brazil's increase was sizeable, although still below the 1935-39 average. Imports which originated in Ecuador dropped to almost the same poundage as prevailed in 1952 and 1953. Brazil provided almost 29 percent of U. S. imports in 1955 which is about five percent more than was provided in 1954.

Central America provided about 18 percent (one percent above 1954) of total U. S. imports in 1955. The most significant increase in 1955 compared to 1954 was Mexico's, while the amount imported from the Dominican Republic increased about 10 percent. This represented a return to levels of several years preceding 1954.

COCOA BEANS: World exports by principal producing countries

Continent and country	1935-39	1945-49	1950	1951	1952	1953	1954	Preliminary 1955
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
NORTH AMERICA								
Costa Rica	14,356	7,382	9,676	5,946	13,688	11,546	19,452	23,515
Cuba	93	516	-	-	543	608	2,988	2,692
Dominican Republic	54,039	52,779	56,836	50,196	49,471	54,566	45,181	49,830
Grenada	8,536	5,763	4,505	5,432	6,068	6,846	5,752	5,094
Haiti 1/	3,350	3,428	4,128	4,354	4,177	4,631	4,951	3,060
Jamaica	4,750	3,420	2,429	2,645	473	2,299	3,750	5,050
Mexico	-	2,328	7,567	3,428	4,114	1,452	6,442	11,054
Panama	9,229	4,637	4,188	3,003	6,942	4,124	3,631	3,089
Trinidad and Tobago	31,634	10,897	16,198	19,320	14,088	21,717	17,640	16,404
Other North America 2/	2,153	1,756	2,405	1,837	2,470	2,240	2,562	3/ 2,500
Total	128,140	92,906	107,932	96,161	102,034	110,029	112,349	122,348
SOUTH AMERICA								
Brazil	263,980	227,894	290,998	211,916	128,401	239,618	266,690	268,793
Ecuador	42,373	39,214	59,032	53,122	53,426	48,732	65,566	54,222
Venezuela	36,934	32,268	34,494	31,625	33,220	37,797	34,204	35,375
Total	343,287	299,376	384,524	296,663	215,047	326,147	366,460	358,390
AFRICA								
Belgian Congo	2,809	3,993	3,592	4,107	4,443	5,670	6,559	7,667
Fernando Po and Rio Muni	25,168	1/ 31,079	1/ 31,737	1/ 31,157	1/ 33,090	1/ 37,668	1/ 36,662	1/ 46,308
French Cameroons	58,294	89,753	104,732	107,596	112,629	133,455	110,301	122,350
French Equatorial Africa	1,873	3,782	5,397	4,868	5,972	7,848	3,327	6,038
Ivory Coast	110,187	82,933	136,183	122,305	110,717	158,059	116,191	165,808
Gold Coast 4/	609,363	504,756	598,978	514,138	474,891	530,051	479,692	461,160
Nigeria 5/	216,318	216,416	223,881	272,111	256,997	234,463	220,356	198,045
Sao Thome and Principe	22,496	18,544	17,643	15,604	18,470	23,993	16,349	12,679
Other Africa 6/	23,821	8,613	15,174	17,893	16,675	23,602	33,197	29,698
Total	1,070,329	959,869	1,137,317	1,089,779	1,033,884	1,154,809	1,022,634	1,049,753
ASIA AND OCEANIA								
Ceylon	7,930	4,592	4,817	5,671	6,502	6,161	6,641	5,640
Indonesia	3,291	71	945	625	1,148	498	1,317	877
New Hebrides	3,916	2,617	1,390	883	1,700	1,969	1,620	6/ 2,000
Western Samoa	2,326	4,817	4,211	7,195	5,484	8,384	5,374	6,644
Total	17,463	12,097	11,363	14,374	14,840	17,012	14,952	15,161
GRAND TOTAL	1,559,219	1,364,248	1,641,136	1,496,977	1,365,805	1,607,997	1,516,395	1,545,652

1/ Year ending September 30 of year shown. 2/ Includes El Salvador, Guatemala, Nicaragua, St. Lucia, St. Vincent, French West Indies and Puerto Rico. 3/ Approximated from unofficial information. 4/ Includes British Mandated Islands. 5/ Includes British Cameroons. 6/ Includes Liberia, Madagascar, Sierra Leone, Angola and French Togoland.

Foreign Agricultural Service. Official publications of foreign governments, reports of agricultural attaches and other United States representatives abroad, and other information.

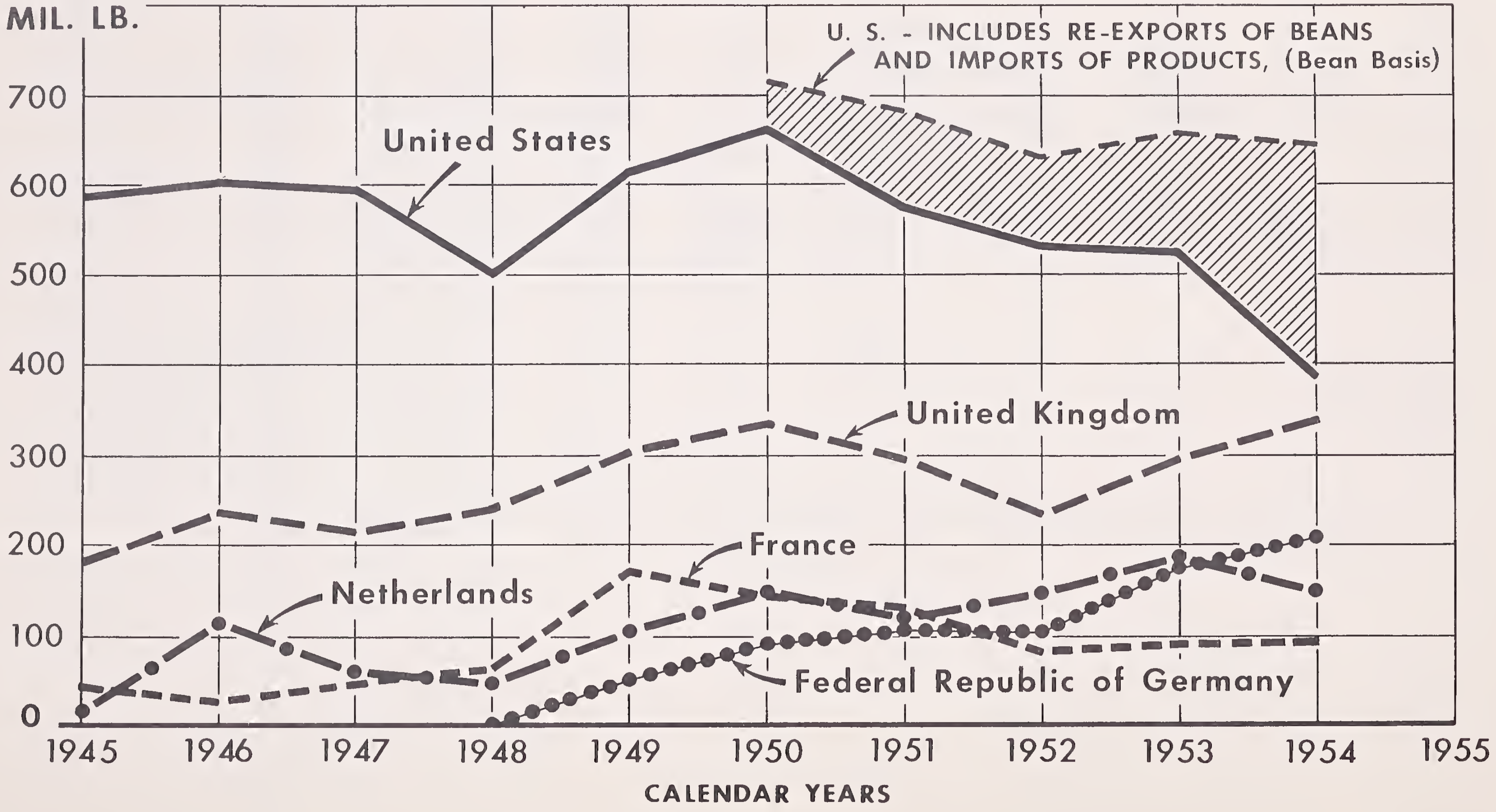
COCOA BEANS: 1955 exports for specified countries by country of destination 1/

Country of destination	Country of origin					
	Brazil	Dominican Republic	Ecuador	Gold Coast	Nigeria	Total (countries shown)
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
EUROPE						
Belgium and Luxembourg...	718	-	2,250	1,568	-	4,536
Czechoslovakia...........	10,379	-	305	-	-	10,684
France...................	397	-	476	7,952	8,512	17,337
Germany (Fed. Rep.)......	38,377	243	3,995	75,598	1,792	120,005
Ireland..................	-	-	-	7,390	-	7,390
Italy....................	9,352	-	2,694	6,832	-	18,878
Netherlands..............	11,211	39	1,715	68,824	13,440	95,229
Norway...................	-	-	93	6,720	-	6,813
Poland and Danzig........	4,294	-	-	-	-	4,294
Sweden...................	450	-	210	8,658	-	9,318
United Kingdom...........	4,841	-	97	128,231	130,397	263,566
Yugoslavia...............	13,813	-	-	-	-	13,813
Other....................	7,275	-	855	1,792	-	9,922
Total..................	101,107	282	12,690	313,565	154,141	581,785
NORTH AMERICA						
Canada...................	2,694	-	-	2,128	1,232	6,054
United States............	141,178	49,462	26,860	94,866	39,088	351,454
Other....................	-	86	-	-	-	86
Total..................	143,872	49,548	26,860	96,994	40,320	357,594
SOUTH AMERICA						
Argentina................	13,270	-	64	-	-	13,334
Colombia.................	-	-	14,317	-	-	14,317
Other....................	2,836	-	160	-	-	2,996
Total..................	16,106	-	14,541	-	-	30,647
ASIA AND OCEANIA						
Japan....................	6,655	-	-	-	-	6,655
Australia................	-	-	-	14,235	-	14,235
Other....................	1,020	-	52	2,374	-	3,446
Total..................	7,675	-	52	16,609	-	24,336
AFRICA						
Union of South Africa....	33	-	57	5,320	-	5,410
Other....................	-	-	22	-	-	22
Total..................	33	-	79	5,320	-	5,432
U.S.S.R..................	-	-	-	28,672	-	28,672
Not Specified............	-	-	-	-	3,584	3,584
GRAND TOTAL..............	268,793	49,830	54,222	461,160	198,045	1,032,050

1/ Calendar year.

Foreign Agricultural Service. Official publications of foreign governments, reports of Agricultural Attaches and other United States representatives abroad, and other information.

CACAO BEANS: WORLD EXPORTS TO PRINCIPAL SELECTED MARKETS



USDA

FAS-NEG. 876

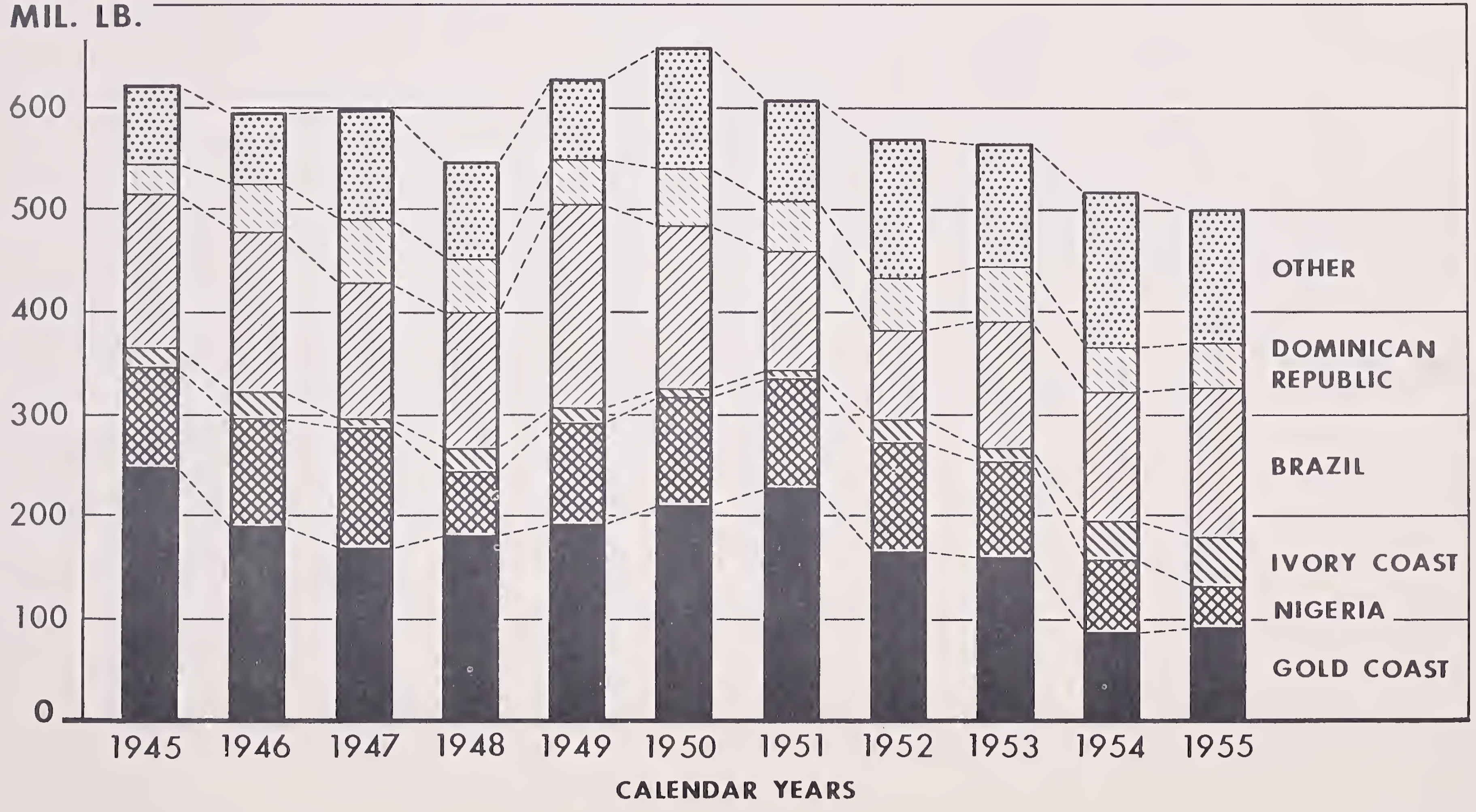
UNITED STATES: COCOA BEAN IMPORTS BY COUNTRY OF ORIGIN - 1935-39, 1945-49 and 1950-55 1/

Continent and Country	Average 1935-39 2/	Average 1945-59	1950	1951	1952	1953	1954	1955 3/
	1,000 Pounds	1,000 Pounds	1,000 Pounds	1,000 Pounds	1,000 Pounds	1,000 Pounds	1,000 Pounds	1,000 Pounds
NORTH AMERICA								
Cuba	502	472	1,465	-	1,652	1,621	2,918	2,395
Costa Rica	2,714	2,532	4,001	3,837	9,985	7,926	12,813	13,973
Mexico	62	2,070	7,396	2,563	5,555	954	6,519	10,849
Nicaragua	125	323	155	173	72	1,801	213	467
Haiti	3,188	3,362	4,084	4,122	5,483	4,124	3,961	2,029
Dominican Republic	48,896	47,382	54,698	47,901	48,837	53,533	43,668	48,182
Panama	8,134	3,889	3,426	2,292	5,788	4,402	4,918	5,594
Trinidad and Tobago	17,593	6,262	7,788	10,511	6,080	9,568	10,004	6,693
Leeward and Windward	1,698	3,597	988	876	1,054	716	413	234
Others	185	531	706	739	660	571	399	451
Total	83,097	70,420	84,707	73,014	85,166	85,216	85,826	90,867
SOUTH AMERICA								
Brazil	188,918	155,073	162,293	117,174	87,712	124,445	124,357	142,812
Ecuador	12,625	24,310	38,357	31,836	26,765	26,718	40,166	26,993
Venezuela	12,892	25,142	26,406	22,414	27,256	28,848	26,913	25,388
Others	669	13	-	298	20	316	420	1,746
Total	215,104	204,538	227,056	171,722	141,753	180,327	191,856	196,939
AFRICA								
French Cameroons	4/	4,033	3,603	12,411	27,358	18,719	30,861	22,355
Ivory Coast	36,390	16,539	6,821	7,615	22,723	15,414	38,794	49,437
Gold Coast	160,684	196,499	208,719	225,107	165,405	160,067	86,603	90,640
Nigeria	80,882	96,979	107,311	109,280	107,788	92,435	70,669	39,853
Spanish Africa	13	1,332	14,176	1,102	6,571	7,122	6,614	4,189
Portuguese W. Africa	4/	2,023	2,305	2,613	7,153	1,538	842	-
Others	5,007	2,273	687	1,382	2,165	1,825	2,150	1,752
Total	282,976	319,678	343,622	359,510	339,163	297,120	236,533	208,226
ASIA AND OCEANIA	2,882	2,665	1,474	1,756	2,891	2,937	1,512	3,240
EUROPE	10,765	694	2,206	225	3,448	-	677	392
GRAND TOTAL	594,824	597,995	659,065	606,227	572,421	565,600	516,404	499,664

1/ Calendar year data. 2/ Includes a small amount of cocoa shells. 3/ Preliminary. 4/ Not classified, separately during prewar period.

Foreign Agricultural Service. Compiled from official records of the Bureau of the Census.

CACAO BEANS: UNITED STATES IMPORTS BY COUNTRY OF ORIGIN



USDA

FAS-NEG. 874

COCOA BEAN PRICES

Cocoa bean prices reached a post-war peak of 73 cents a pound in the summer of 1954. This price culminated an almost steady rise from the first part of 1953. From the peak attained there was a sharp drop in prices. Two factors were mainly responsible for this drop:

(1) It became known that production had been underestimated for several of the larger producing countries, and

(2) About the same time it became apparent that consumption had been overestimated.

After this sharp drop, prices remained relatively stable for the remainder of the year, but during 1955 there was a fairly steady decline in prices. This continued during the first few months of 1956, but prices firmed and strengthened during April and May.

Prices of cocoa beans are very sensitive, and are subject to wide fluctuations. Crop production estimates and the timing of announcements concerning the sales of new crops very often have a pronounced influence on the market. Manufacturers of chocolate products have tried to cushion the effect of wide price changes by making thinner coatings, substituting vegetable hard fats and using colored (summer) coatings on a year-round basis. It must be remembered that there is a considerable time lag between the import of cocoa beans and the sale of the finished product. This often amounts to as much as six to eight months.

Price declines in 1955 are attributed mainly to a falling off in demand because of high prices in previous years, and to a good 1954-55 crop. Candy consumption in the United States remained fairly stable, but the use of substitute fats in chocolate coverings depressed prices for cocoa butter rather than cocoa powder. World consumption of cocoa beans in 1955 was close to the 1954 level, but still about 10 percent below 1953 consumption.

Both the Gold Coast and Nigeria marketing boards operated at a small loss last year. Therefore, reserves had to be called on for once a price has been established it prevails throughout the season. Prices paid to cocoa farmers are determined by the Board after consideration of:

(1) The overseas market

(2) World production, and

(3) Rate of consumption.

The main job of the board is to buy the cocoa and sell it overseas.

Indications are that the United States demand for cocoa beans is strengthening. Grindings during the first quarter of 1956 exceeded the similar period of 1955 by 20 percent.

A basic price support subsidy to cocoa producers was established in the French Cameroons in March 1956. This support is separate from the present bonus paid by the state for the top quality cocoa. Cocoa represents about one half in value of the French Cameroons exports. Therefore, the economic life of the country is essentially tied to the world price of cocoa. During the 1955-56 season several measures have been taken by the Administration of the French Cameroons to raise the renumeration to cocoa farmers. These measures included:

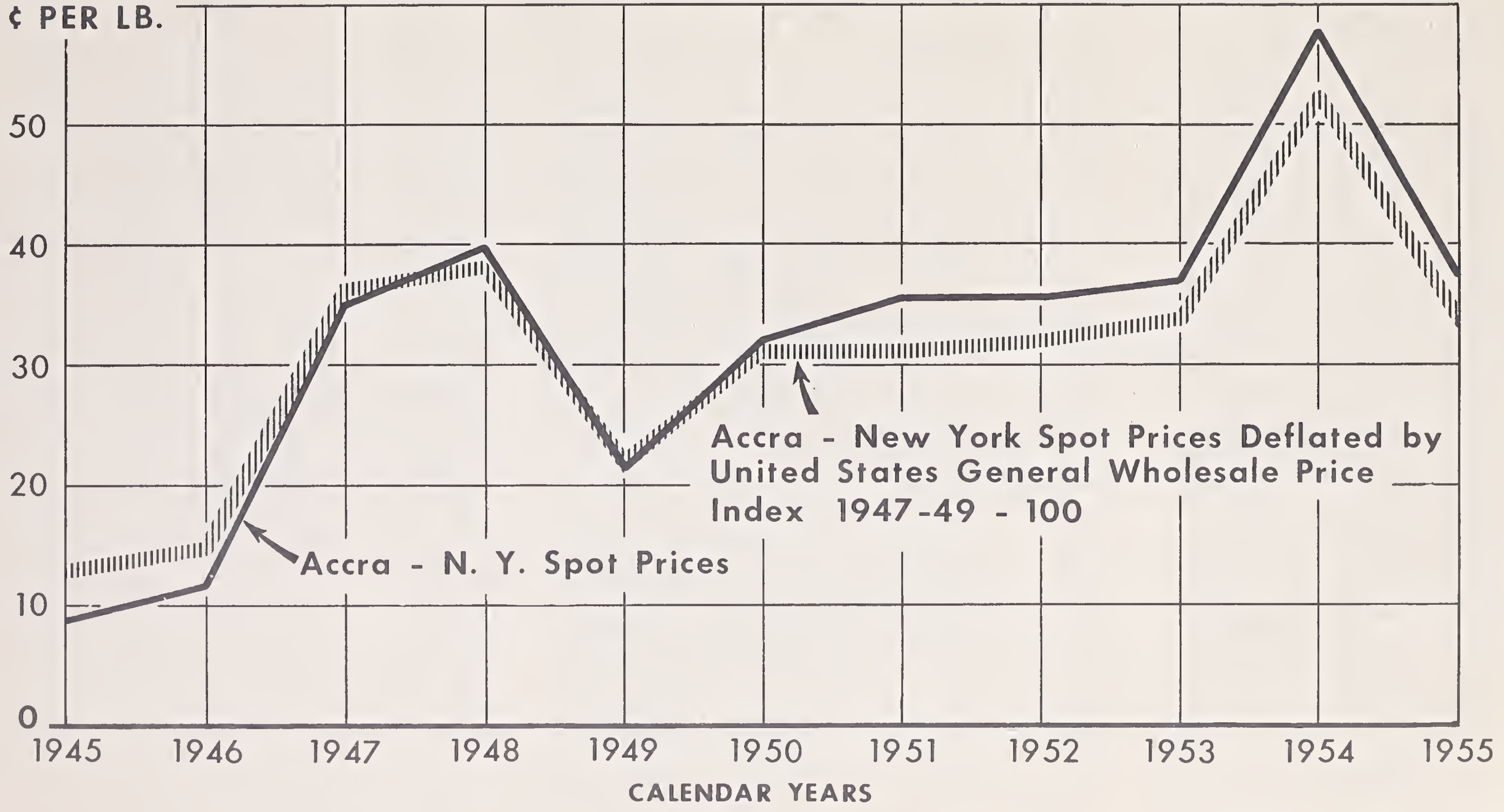
(1) Deferring the liquidation of the specific tax

(2) Raising the quality bonus, and

(3) Authorization to unlock a part of the funds deposited in the interested budget account, thereby allowing a bonus to be paid directly to the producer on all of the controlled markets of the cocoa regions.

Cocoa bean prices in the future will of course depend on production and consumption and their prospects. Production and production prospects will probably be the primary factor for consumption is much more stable. As disease and pest control measures become more effective and crop estimates more reliable prices should become more stable.

CACAO BEANS: UNITED STATES SPOT ACCRA PRICES ON NEW YORK MARKET, AND DEFLATED PRICES



USDA

FAS-NEG. 873

DEVELOPMENT AND IMPROVEMENT PROGRAMS

Many of the cocoa producing countries of the world now have development or improvement programs underway. Disease and pest control has been the most prominent improvement program in the past. There are indications, however, that extension work will increase in the future. Such work will probably progress rather slowly in some countries, especially where there are small holdings. It appears that governments of several of the important producing countries are becoming more keenly aware of the value of development or improvement programs, and in many cases are subsidizing production in one way or another.

Jamaica has plans for an accelerated planting program for cocoa. Steps have already been taken to expand cocoa from the present estimated acreage of between 12,000 and 15,000 by another 50,000 acres. The government has issued orders to provide and distribute one million budded seedlings per year. It was recognized that planting from seed was less satisfactory from the standpoint of quality, although it was the traditional method in the West Indies. There is wide variance in the yield of trees planted from seeds, and it is recognized that the only sure way of getting uniform high yields is from rooted cuttings. Because of limited land area, Jamaica could not afford the extensive type of cocoa production characteristic of the Gold Coast and it is essential to grow high yielding trees. The government urged farmers to cut out trees grown from seedlings which might turn out to be poor producers; and replace them, in time, with cuttings.

Development funds in the Gold Coast come from an export tax, which is based on FOB prices. Lower cocoa prices then will probably have an effect on Gold Coast development projects. The cut out program for the control of swollen shoot disease continues in the Gold Coast. The table below shows the number of trees cut out by area in trying to control the swollen shoot disease.

Number of Trees Cut Out as of February 1956

Region	Initial Treatment	Second Treatment	Total Trees
Ashanti.......	545,207	697,367	1,251,574
Eastern.......	30,448,917	13,821,458	44,270,465
Western.......	2,275,369	542,603	2,817,972
Trans-Volta...	32,485	68,345	100,830
Totals	33,310,978	15,129,863*	48,440,841

* This total includes any trees cut out after the initial treatment.

The West African Cocoa Research Institute has isolated more than seventy strains of virus that cause swollen shoot disease in cocoa. Some of the strains of virus only produce leaf symptoms. The incubation period for the virulent strains is about six weeks, but the milder strains might take up to two years to produce the swollen shoot symptoms. The Amazon varieties seem to be rather tolerant to the disease.

Carbide Bordeaux sprays have given fair control for black pod but frequent pickings are more effective in controlling this. The farmers do not like to harvest this way. Since the Amazon types do not have a definite main and mid-crop season, it is probable that black pod will increase as more of the Amazon plantings begin to be harvested.

The capsid control program in the Gold Coast has had good success. An increasing number of hand sprayers are being sold to the farmers for this insect control.

The West African Cocoa Research Institute has found through experimentation that a fair re-establishment of cocoa can be made on land once in cocoa if it is left to bush fallow for five to seven years.

Programs are under way in the Ivory Coast to improve quality and increase the acreage of cocoa. In French West Africa, the Chamber of Commerce, the Chamber of Agriculture and Industry, Private Trade Ortanizations and the Government Departments of Agriculture all have a major influence on agricultural policy. The Government is giving out free cocoa seedlings and paying a substantial subsidy in an effort to increase the acreage under cocoa. Annual agricultural fairs are held to encourage improved quality. The Government furnished seedlings free and pays the farmer $90 per hectare for the planting of 1,000 trees. In 1955 there were 15,000 hectares of new cocoa planted under this program. The farmer is paid 60 cents per tree for cutting out trees with swollen shoot disease.

A well organized program was put into effect in the Ivory Coast two years ago to paint and spray young cocoa with deeldren in order to control insects. About 2,000 sprayers of different sizes are now being used. Thought is being given to the spraying of mature cocoa for capsid control.

The Liberia Company, an American concession, controls at least 50 percent of the total acreage under cocoa cultivation in Liberia and finished 1955 with 2,700 acres under cultivation, 1,000 acres of which were planted in 1955. In 1956 the company plans to plant an additional 300 acres of new cocoa and to replant about 10 percent of deadstock. There are two main hazards to the growing of cocoa in Liberia:

(1) All the soil is not suitable, and

(2) There is danger of damage from the stem boring cocoa ambrosia beetle.

The Department of Agriculture and Commerce originally had a short term goal of 50,000 acres of cocoa in 10 years, yielding 15,000 long tons of cocoa beans per year. This now appears to be a long term proposition, but when cocoa cultivation is appreciated and understood by the farmers in outlying areas it will probably have a definite place in the country's economy.

A group of Dutch agricultural development companies are experimenting with the production of cocoa in the eastern Usambara Mountains area. Two varieties of Java-type hybrid have been planted on 150 acres, and the first cocoa bushes are now one year old. It was decided to experiment in this area of Tanga Province because of favorable rainfall, the availability of labor and transport, and the proximity to the port of Tanga.

New planting continued on Malaya's first cocoa estate during 1955, bringing the total area to 456 acres. Malayan Cocoa Ltd. expects to increase this to 500 acres in 1956. The experience from estate and from the government experimental station is to be applied by government in developing pilot schemes for small holders. The United Cocoa Development Co. Ltd. has applied for lease of about 1,200 acres of land suitable for cocoa cultivation near the Malayan Cocoa Ltd. estate on Jerangan Road in Trengganu State. This venture is designed to encourage expansion of cocoa growing in Malaya on the basis of cultivation experience in pilot estates of Malayan Cocoa Ltd.

Surinam reorganized its Department of Agriculture during 1955 and established a marketing section. The Government worked out a scheme to assist small farmers in planting cocoa trees where they had suitable land. This program included making small loans to farmers, and is expected to increase production considerably in three to five years.

In Trinidad the Cocoa Exporters Committee has been stressing the need for the producers to improve the quality of the cocoa, and the Agricultural Society has recommended that a system of grading be instituted and that a substantial premium be put on high quality cocoa so as to stimulate its production.

The Cocoa Board in Trinidad built a new $1.2 million propagating station at La Reunion, Centeno. When in full production it will supply 500,000 clonal cocoa plants annually. The Board's other station at La Pastora produces approximately this amount, so the two stations will give the colony a total production of 1,000,000 clonal cocoa plants each year.

In the past three years more than 700 million francs have been used for education of planters, cutting of trees, phytosanitary measures and improving the conditions for preparing cocoa in the French Cameroons.

The United States has also been encouraging the expansion of production, and the growing of better quality varieties. The American Cocoa Research Institute through the Cacao Center at Turrialba continued its major projects during the fiscal year 1955-56 (which ended on February 29). These projects are:

(1) Plant improvement

(2) Propagation and nursery practices

(3) Diseases and their control

(4) Cultural practices and nutrition studies

(5) preparation of cocoa beans and pod meal

(6) Teaching, extension, and

(7) Renovation at La Lola Farm.

There are a number of countries in which the American Cocoa Research Institute and the International Cooperation Administration are cooperating on cocoa programs. Among these countries are Peru, Ecuador, Colombia, Panama, Costa Rica, Nicaragua, Guatemala, Cuba, Haiti, and the Philippines. ACRI also has been investigating the possibilities of increasing production in the Tabasco-Chiapas Norte region of Mexico by spraying and propagation.

A clonal collection was started several years ago in Mayaguez, Puerto Rico by the United States Department of Agriculture. It was also planned that Mayaguez would serve as a quarantine station. This project has been transferred to the United States Plant Introduction Garden, Coconut Grove, Florida. It is expected that the clonal collection eventually will serve as a safe source for small amounts of disease-free budwood for research centers and cooperating agencies which do not have access to such material from other places or which for phytosanitary reasons do not want to procure initial propagating material for certain commercial cacao growing areas. The success of the project depends largely upon cooperation of such important cacao centers as Trinidad in providing initial budwood of their better clones. By the end of 1955 the clonal collection was well established, and plans are being made for expansion of the work to include certain types of research.

In addition to working toward the goal of more and better cacao, ACRI has loaned its support to areas of small production such as Bolivia and Peru by making sure that a satisfactory market outlet is available.

Five years of research into the possibilities of reintroducing cocoa cultivation in British Guiana have yielded positive results. According to a government press report it has been "conclusively" established that the cultivation of cocoa could become an important factor in the country's economy. The government is now producing about 20,000 plants a year at its propagation centers and plans to expand this to 50,000 plants annually. British Guiana has been a cocoa producer, but as a result of the outbreak of Witches Broom disease and a drop in world prices, the industry fell into a state of decay. The Government Press Report mentioned above states, "A conservative estimate places at 50,000 acres the area of fertile land along the river banks and protected hill slopes suitable for cocoa cultivation." Results obtained in the North-West District, one of the most depressed areas of the country, have been especially encouraging.